

Special Accounts Senior Management Committee (SASMC) Meeting Notes and Action Items

*August 6, 2014, 10am – 12pm
William Jefferson Clinton North, Room 5530*

Attendees in Person

Jim Woolford, OSWER/OSRTI Director
Tracey Stewart, OSWER/OSRTI
Amy Vandenburg, OSWER/OSRTI
Rafael DeLeon, OECA/OSRE/Deputy Director
Karin Leff, OECA/OSRE/RSD
Manuel Ronquillo, OECA/OSRE/RSD
Hollis Luzecky, OECA/OSRE/RSD
Jeanne Conklin, OCFO/OFM/Acting Director
Vickie Spencer, OCFO/OFM/PCS
Nikki Wood, OCFO/OFM/PCS
Carol Terris, OCFO/OB/Acting Director
Khanh Nguyen, OCFO/OB/TFAA
Laura Ripley, OCFO/OB/TFAA
Chris Tomsovic (Booz Allen Hamilton)

Attendees via Phone

Robin Richardson, OSWER/OSRTI/Deputy Director
Meredith Sebring, OSWER/OPM/ARMS
Peter Hendrickson, OCFO/OFS/CFC
Randy Sargent, OCFO/OFS/CFC
Richard Gray, OCFO/OFS
Don Pace, Region 2/Comptroller
Pam Phillips, Region 6/SFD/Deputy Director
Tony Smaldon (Booz Allen Hamilton)
Jessica Kwan (Booz Allen Hamilton)

Introduction

The SASMC meeting commenced with the in person attendees introducing themselves and Jim Woolford and Tracey Stewart welcoming the attendees who were attending via phone. Jim briefly described the agenda items for the meeting.

Highlights from the Past 6 Months

Jim Woolford informed the group that since the implementation of the Superfund Enterprise Management System (SEMS) in December of 2013, staff in the Office of Site Remediation and Technology Innovation (OSRTI), Office of Site Remediation Enforcement (OSRE) and the regions have been working out the challenges of implementing the new system as they relate to

the management of special accounts. Special account reports were not available to be run in time for mid-years in FY 2014, but Tracey Stewart noted that Headquarters (HQ) is planning to be able to run reports to review data for FY 2015 special account work planning in the fall. Woolford inquired about an alternate process for work planning if there are still issues with SEMS. Stewart responded that she and Alan Youkeles, of OSRTI, have a backup plan in place that includes sending a data request to each region for planned uses for special account funds in order to support the agency's development of the Congressional Justification (CJ). Woolford then asked whether the regions are aware of the possible data request; Stewart responded that the regions are not. Woolford asked Robin Richardson to notify the regions that a data request may occur as a backup plan if SEMS reporting is not fully functional. Stewart noted that HQ would make a decision in September 2014, prior to the October 1st work planning start date, and ensure that the regions are aware of what is expected with the larger work planning efforts. Pam Phillips noted that the regions should be notified as soon as possible.

Following the special account reporting highlights, Woolford stated that OSRTI updated the Special Accounts Data Monitoring Plan in May 2014 requiring the regions to review accounts with less than \$25K available in order to push towards closing those accounts with low balances. In addition, Woolford noted that HQ sent a report on reprioritizing and alternative uses for special accounts funds to the House and Senate Appropriations Committee in May who then provided feedback in the report accompanying the House FY 2015 appropriations bill that was overall complimentary.

In continuation of special account highlights from the past 6 months, Woolford noted that the program was unable to do a full FY 2014 mid-year review of special accounts due to challenges with the implementation of SEMS. Stewart noted that the program completed a shortened review that focused on actual special account utilization and follow-up with regions on questions from the previous work planning session. In addition, Woolford reported that by working with regions to identify funds in special accounts that could be used to reimburse Contract Lab Program (CLP)/Environmental Services Assistance Team (ESAT) expenditures, the program had been able to reimburse \$713,000 of approximately \$1.5 million in prior year CLP/ESAT expenditures that were associated with sites with special accounts.

Woolford also noted that OSRTI issued a memorandum encouraging the use of special account funds for oversight activities. OSRTI also worked with OCFO to create a Compass Business Objects Reporting (CBOR) report that identifies special accounts with no utilization activity in the past 5 years. A question was asked regarding how many accounts have had no utilization activity in the past 5 years. Stewart responded that there are approximately 43 out of approximately 1,000 accounts with no utilization in the past 5 years; however, some of the accounts have restrictions that are written into settlements that limit the use of funds. The number of accounts with no utilization has been decreasing.

Carol Terris requested that the meeting attendees ensure that the accounting codes used for charging site specific travel match the accounting codes used for payroll expenditures or time charging that occurs while on travel. Terris informed the attendees that the Office of the Inspector General (OIG) is identifying accounting discrepancies between site specific travel and payroll costs that have occurred over the last 6 or 7 years. Woolford asked the meeting attendees

to be diligent and ensure that staff members are following the correct procedures. Pam Phillips noted that it is not uncommon to have travel coding not match with payroll charging, but the regions are aware of that. Staff will discuss this topic on the next national special account call with the regions.

Updating the Special Accounts Senior Management Committee Charter

Stewart began by providing a brief background on why the SASMC was formed in 2009. She noted that the SASMC Charter was signed in 2009 and the OIG reviewed and commented on it before it was signed. The SASMC Charter does include a provision that it can be reviewed and revised every two years, but the SASMC has yet to revise it.

A proposal was discussed by the committee to change the meeting requirements from semi-annual to annual. If needed, the SASMC chair may still convene additional meetings throughout the year. Staff level monthly calls will continue to occur to review ongoing projects and to discuss concerns or issues.

Carol Terris informed the committee that she did not want to change the meetings to an annual basis, as she found the semi-annual meetings to be a good way to check-in on special accounts and discuss topics that otherwise may not get her attention. The committee discussed changing the language in the charter to reflect having at least one meeting per year, and the Chair having the flexibility to cancel semi-annual meetings if not necessary.

The committee also discussed changing the timing of the meetings to better accommodate office workloads (e.g., not during budget formulation time or program work planning). Staff will look at timing of the meetings to better accommodate office workloads.

In addition, the committee agreed with the proposal that the issuance of guidance and policy for special accounts on behalf of the SASMC members should be added to OSRTI's roles and responsibilities as the committee had already agreed to this at a prior meeting.

Rafael DeLeon inquired whether the committee is allowed to revise the charter in FY 2014 because the current language states the committee is only able to revise the charter every two years, which would imply FY 2015 would be the next time they can revise the charter. The committee agreed that they would update the charter with the revisions in FY 2015.

Accessing Special Accounts for Indirect Costs

Exemption 5 - Deliberative Process

[REDACTED] Terris reviewed the benefits and risks if the agency were to implement the use of special account resources for indirect costs. [REDACTED]

[REDACTED] In other words, the agency bills and

recovers indirect and direct costs from PRPs and the remitted payments are deposited in special accounts; however, the agency expends those special account funds only on direct site costs.

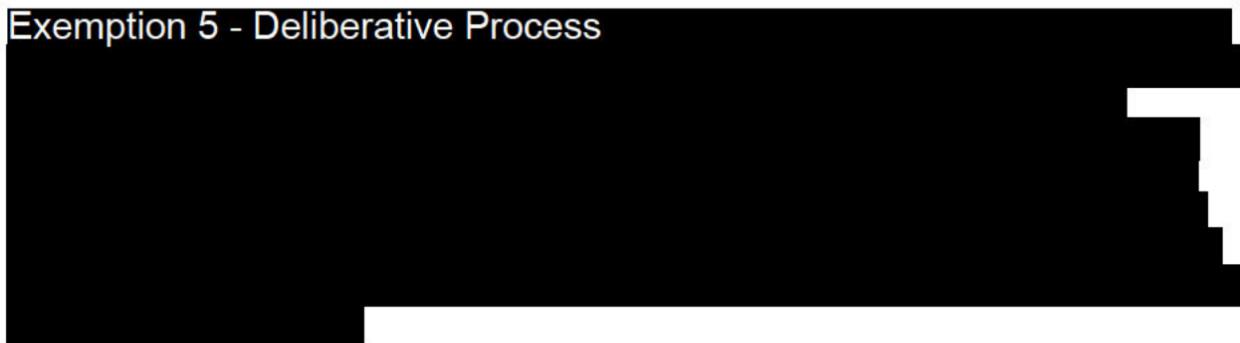
Exemption 5 - Deliberative Process



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Exemption 5 - Deliberative Process



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Exemption 5 - Deliberative Process

Jeanne Conklin proposed that a work group be set up to discuss this issue and establish baseline questions that the work group will present to the SASMC members. The committee decided that a work group will be formed, with representative from regional counsel, to identify questions for the SASMC to review prior to informally having a discussion with OGC. The work group will also look at the scope and need of what this effort is trying to address to see if there are alternative ways to address the need. The committee will reconvene in November to hear results from the work group on their efforts and determine next steps.

Special Account Interest and Collections Process

Jeanne Conklin provided the group with an overview of the accounting anomalies that have become apparent following large special account deposits that occurred in FY 2014, and the efforts that the Office of Financial Management (OFM) will put forth moving forward.

Exemption 5 - Deliberative

Exemption 5 - Deliberative Process

OFM has two options for funds to earn interest in the Superfund Trust Fund: 1) 1-Day Certificate and 2) Long Term Investments. 1-Day Certificates are immediate or emergency investments and can be drawn from as needed. However, these interest rates are low and have a lower return. The Long Term investments have higher interest rates because they are invested for longer periods of time. OFM does not want funds sitting in the expenditure account for long periods of time as they do not earn interest.

Exemption

Conklin noted that there are Government Accountability Office (GAO) policies that require agencies to explain variances of over \$5 million on balance sheets. Superfund has been appearing on the list due to the low utilization of appropriated funds apportioned in the Trust Fund in the last four quarters. Conklin further noted that the agency needs to identify a solution to move the collected amounts from the agency expenditure account into the Trust Fund to be invested.

Exemption 5 - Deliberative Process

Exemption 5 - Deliberative Process

Conklin further noted that OFM will have to audit or “true up” each account since their inception to ensure validity and accuracy of all accounting transactions.

The committee agreed that a work group would be formed to discuss methodology to address the issues raised by OFM. OFM will provide a timeline to the committee for next steps, and the committee will be kept informed via email as this needs to be addressed prior to EPA receiving funds from the Anadarko settlement. OSRE will keep OFM informed about when funds from the Anadarko settlement may be received, and Vince Velez in OSRE will also help the work group on methodology.

Upcoming Issues and Topics

Stewart discussed the upcoming issues and topics in the next 6 months with the members. First, the SASMC Charter will be updated in October 2014. Second, she noted that SEMS is still a large workload for OSRTI and the regions and will continue to be so in the upcoming months. Third, she noted that as part of the Federal Managers’ Financial Integrity Act (FMFIA) program review strategy processes, OSRTI will be conducting a review in FY 2015 focusing on reclassifications, transfers to Trust Fund and special account closures. Stewart would like to add data from OSRTI’s FY 2010 review on reclassifications, transfers to the Trust Fund, and account closures to see how things have improved and address any issues. The FMFIA review will begin around January 2015. Fourth, she noted that OSRE will begin updating the *2002 Special Account Consolidated Guidance* document. It was asked how long that effort would take, and an estimated timeframe of approximately one year was provided. Lastly, OSRTI will begin scoping the development of a SharePoint site for special accounts in the next 6 months.

Action Items

Below is a list of action items identified during the meeting:

Table 1: Action Items for SASMC

Item	Lead	Due Date
Notify regions that OSRTI may have a data request if SEMS reports are unavailable.	Robin Richardson	Completed 8/12/14
Discuss on the national special accounts call OIG review of consistent charging between travel and payroll	OCFO	Next national special accounts call is scheduled for October 22
Form a Special Accounts Interest and Collections Work Group to develop new	Nikki Wood	TBD

accounting methodology for special account deposits		
Form a Special Accounts Indirect Costs Work Group to establish baseline questions for informal OGC consultation	Laura Ripley	Workgroup report to the SASMC November 2014
Update the SASMC Charter	Tracey Stewart	November 2014